Crop Insurance Policy

929. SHRI BRAHMAKUMAR BHATT: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government have announced any new crop insurance policy;

(b) if so, the salient features thereof;

(c) the manner in which the farmers are likely to be benefited; and

(d) by which date the said policy is likely to be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV): (a) to (d) The Government of India have introduced National Agricultural Insurance Scheme (NAIS) from Rabi 1999-2000. The scheme is voluntary for the States/Union Territories and has larger scope of coverage in terms of farmers, crops and risk. The salient features of the Scheme are enclosed. (*See* below)

The scheme is available for both loanee and non-loanee farmers. A loanee former is automatically covered as when loan is availed for notified crop in notified area. Non-loanee farmers are required to submit insurance proposal, to the nearest bank branch/Primary Agricultural Cooperative Society by paying requisite premium. A farmer can get entire risk covered, as there is no cap on the sum insured. Claims become payable if there is shortfall in yield as compared to Guaranteed yield. The claims are released to banks and the banks in turn credit the amount in the account of the beneficiary farmers. The farmers are not required to prove losses or give loss intimation under NAIS as it is required in other general insurance schemes.

Salient Features of National Agricultural Insurance Scheme (NAIS)

The Government have intorduced NAIS from Rabi 1999-2000 season to widen the scope and contents of Crop Insurance Scheme:

— Scheme is available to all farmers—loanee and non-loance both—irrespective of their size of holding.

— Compulsory for loanee farmers and optional for non-loanee farmers.

— Sum-insured may extend to the value of threshold yield of the area insured.

— Coverage of all food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops in respect of which past yield data is available for adequate number of years.

— Among the annual commercial/horticultural crops, seven crops namely cotton, sugarcane, potato, chillies, ginger, onion and turmeric are presently covered.

— Premium rates are 3.5% for bajra and oilseeds, and 2.5% for other Kharif crops; 1.5% for wheat, and 2% for other rabi crops. In case the rates worked out on the basis of actuarial data are less than the prescribed premium rate, the lower rate will be applicable.

— In case of annual commercial/horticulrural crops, acturaial rates are charged.

— Small and marginal farmers are provided subsidy of 50% of the premium charged from them. The Subsidy will be phased out over a period of 5 years on sunset basis.

— To implement NAIS at lower unit of insurance *i.e.* Gram Panchayat.

— It is proposed to set up a separate agency for implementation of NAIS.